

**Pacifica Foundation Inc.**

Financial Statements  
and Independent Auditor's Report

September 30, 2021 and 2020

**Pacifica Foundation Inc.**

Financial Statements  
September 30, 2021 and 2020

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Pacifica Foundation Inc.

We have audited the accompanying financial statements of Pacifica Foundation Inc. (“the Foundation”), which comprise the statements of financial position as of September 30, 2021 and 2020; the related statements of activities, functional expenses, and cash flows for the years then ended; and the related notes to the financial statements.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of September 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Substantial Doubt About the Organization's Ability to Continue as a Going Concern***

The accompanying financial statements have been prepared assuming that the Foundation will continue as a going concern. As discussed in Note 15 to the financial statements, the Foundation has a net deficit that raises substantial doubt about its ability to continue as a going concern. Management's evaluation of the events and conditions, and management's plans regarding those matters, are described in Notes 15 and 16. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

***Other Matter***

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of financial position, activities, and expenses by division for the years ended September 30, 2021 and 2020 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in black ink that reads "Rogers + Company PLLC". The signature is written in a cursive, slightly stylized font.

Vienna, Virginia  
August 10, 2022

**Pacifica Foundation Inc.**

Statements of Financial Position  
September 30, 2021 and 2020

	2021	2020
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 1,279,622	\$ 1,199,366
Investments	685,164	546,878
Contributions receivable, net	104,573	129,823
Prepaid expenses	14,570	12,421
Inventory	30,901	44,639
	2,114,830	1,933,127
Non-current assets:		
Restricted cash	178,937	162,137
Contributions receivable, long-term, net	-	88,200
Other assets	55,002	52,082
Property and equipment, net	1,422,928	1,454,340
	1,656,867	1,756,759
Total current assets	2,114,830	1,933,127
Total non-current assets	1,656,867	1,756,759
Total assets	\$ 3,771,697	\$ 3,689,886
<b>Liabilities and Net Assets (Deficit)</b>		
<b>Liabilities</b>		
Accounts payable	\$ 611,517	\$ 317,291
Accrued expenses and payroll benefits	989,329	1,325,698
EIDL loan payable	149,900	-
Equipment loan payable	97,600	108,334
Note payable	3,165,000	3,165,000
	5,013,346	4,916,323
Total liabilities	5,013,346	4,916,323
<b>Net Assets (Deficit)</b>		
Without donor restrictions	(2,114,312)	(2,049,014)
With donor restrictions	872,663	822,577
	(1,241,649)	(1,226,437)
Total net deficit	(1,241,649)	(1,226,437)
Total liabilities and net deficit	\$ 3,771,697	\$ 3,689,886

*See accompanying notes.*

**Pacifica Foundation Inc.**

Statement of Activities  
For the Year Ended September 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Operating Revenue and Support</b>			
Listener support and donations, net	\$ 6,839,990	\$ -	\$ 6,839,990
Grants and contributions	3,727,897	1,800	3,729,697
Sub-carrier income	124,300	-	124,300
Community events	44,242	-	44,242
Other revenue	163,472	-	163,472
Investment return, net	26,891	166,963	193,854
Released from restrictions	118,677	(118,677)	-
<b>Total operating revenue and support</b>	<b>11,045,469</b>	<b>50,086</b>	<b>11,095,555</b>
<b>Expenses</b>			
Program services	4,901,557	-	4,901,557
Supporting services:			
Management and general	5,610,905	-	5,610,905
Fundraising and development	1,025,982	-	1,025,982
<b>Total supporting services</b>	<b>6,636,887</b>	<b>-</b>	<b>6,636,887</b>
<b>Total expenses</b>	<b>11,538,444</b>	<b>-</b>	<b>11,538,444</b>
<b>Change in Operating Net Assets</b>	<b>(492,975)</b>	<b>50,086</b>	<b>(442,889)</b>
<b>Non-Operating Activity</b>			
Gain on accrued property tax liability adjustment	427,677	-	427,677
<b>Total non-operating activity</b>	<b>427,677</b>	<b>-</b>	<b>427,677</b>
<b>Change in Net Assets</b>	<b>(65,298)</b>	<b>50,086</b>	<b>(15,212)</b>
<b>Net (Deficit) Assets, beginning of year</b>	<b>(2,049,014)</b>	<b>822,577</b>	<b>(1,226,437)</b>
<b>Net (Deficit) Assets, end of year</b>	<b>\$ (2,114,312)</b>	<b>\$ 872,663</b>	<b>\$ (1,241,649)</b>

See accompanying notes.

**Pacifica Foundation Inc.**

Statement of Activities  
For the Year Ended September 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Operating Revenue and Support</b>			
Listener support and donations, net	\$ 7,369,468	\$ -	\$ 7,369,468
Grants and contributions	3,364,996	3,600	3,368,596
Sub-carrier income	200,900	-	200,900
Community events	99,281	-	99,281
Other revenue	389,604	-	389,604
Investment return, net	41,803	37,408	79,211
Released from restrictions	117,379	(117,379)	-
<b>Total operating revenue and support</b>	<b>11,583,431</b>	<b>(76,371)</b>	<b>11,507,060</b>
<b>Expenses</b>			
Program services	5,561,748	-	5,561,748
Supporting services:			
Management and general	4,625,836	-	4,625,836
Fundraising and development	1,054,382	-	1,054,382
<b>Total supporting services</b>	<b>5,680,218</b>	<b>-</b>	<b>5,680,218</b>
<b>Total expenses</b>	<b>11,241,966</b>	<b>-</b>	<b>11,241,966</b>
<b>Change in Operating Net Assets</b>	<b>341,465</b>	<b>(76,371)</b>	<b>265,094</b>
<b>Non-Operating Activity</b>			
Gain on accrued pension plan liability adjustment	477,918	-	477,918
<b>Total non-operating activity</b>	<b>477,918</b>	<b>-</b>	<b>477,918</b>
<b>Change in Net Assets</b>	<b>819,383</b>	<b>(76,371)</b>	<b>743,012</b>
<b>Net (Deficit) Assets, beginning of year</b>	<b>(2,868,397)</b>	<b>898,948</b>	<b>(1,969,449)</b>
<b>Net (Deficit) Assets, end of year</b>	<b>\$ (2,049,014)</b>	<b>\$ 822,577</b>	<b>\$ (1,226,437)</b>

See accompanying notes.

**Pacifica Foundation Inc.**

Statement of Functional Expenses  
For the Year Ended September 30, 2021

	Supporting Services			Total Supporting Services	Total Expenses
	Program Services	Management and General	Fundraising and Development		
Personnel costs:					
Salaries and wages	\$ 3,378,671	\$ 925,325	\$ 373,256	\$ 1,298,581	\$ 4,677,252
Payroll taxes	301,357	83,892	34,031	117,923	419,280
Employee benefits	407,679	719,790	37,947	757,737	1,165,416
Pension and 403(b) contributions	45,871	14,340	5,228	19,568	65,439
Advertising and promotion	-	1,152	14,803	15,955	15,955
Associations and periodicals	4,774	54	353	407	5,181
Audit and accounting	-	476,648	-	476,648	476,648
Bank charges and credit card fees	(7,131)	181,615	80,872	262,487	255,356
Board meetings and elections	-	193,669	1,015	194,684	194,684
Communications expense	19,998	289,047	365	289,412	309,410
Community events	2,436	7,833	59,097	66,930	69,366
Computer maintenance	6,207	32,744	10,426	43,170	49,377
Consultants	28,355	437,384	18,841	456,225	484,580
Depreciation and amortization	88,554	113,586	104	113,690	202,244
Direct mail and telemarketing	1,412	15,868	194,058	209,926	211,338
Equipment rental	-	34,438	22,236	56,674	56,674
Insurance	-	219,313	-	219,313	219,313
Interest	-	215,807	-	215,807	215,807
Legal fees	-	548,491	-	548,491	548,491
Rent – office/studio	-	263,756	-	263,756	263,756
Rent – tower	127,104	244,686	-	244,686	371,790
Office expenses	1,613	103,821	4,048	107,869	109,482
Outside services	145	99,688	155,687	255,375	255,520
Permits, fines, and filing fees	695	30,014	-	30,014	30,709
Programming costs	109,611	74,100	3,575	77,675	187,286
Repairs and maintenance	139,065	55,991	5,930	61,921	200,986
Storage	-	42,797	-	42,797	42,797
Tapes and supplies	5,184	517	-	517	5,701
Taxes – property	-	16,622	-	16,622	16,622
Training conferences	11,747	8,714	376	9,090	20,837
Travel	3,638	24,551	-	24,551	28,189
Utilities	168,496	128,290	-	128,290	296,786
Website and audioport	56,076	6,362	3,734	10,096	66,172
<b>Total Expenses</b>	<b>\$ 4,901,557</b>	<b>\$ 5,610,905</b>	<b>\$ 1,025,982</b>	<b>\$ 6,636,887</b>	<b>\$ 11,538,444</b>



**Pacifica Foundation Inc.**

Statement of Functional Expenses  
For the Year Ended September 30, 2020

	Supporting Services			Total Supporting Services	Total Expenses
	Program Services	Management and General	Fundraising and Development		
Personnel costs:					
Salaries and wages	\$ 3,392,926	\$ 974,284	\$ 440,098	\$ 1,414,382	\$ 4,807,308
Payroll taxes	295,638	89,080	38,452	127,532	423,170
Employee benefits	853,508	239,902	93,770	333,672	1,187,180
Pension and 403(b) contributions	42,614	10,059	5,616	15,675	58,289
Advertising and promotion	239	2,233	5,399	7,632	7,871
Associations and periodicals	547	-	7,979	7,979	8,526
Audit and accounting	-	392,255	-	392,255	392,255
Bank charges and credit card fees	-	193,835	63,999	257,834	257,834
Board meetings and elections	-	80,059	-	80,059	80,059
Communications expense	9,385	315,269	-	315,269	324,654
Community events	-	51,028	37,264	88,292	88,292
Computer maintenance	7,767	24,983	4,527	29,510	37,277
Consultants	38,905	374,130	45,710	419,840	458,745
Depreciation and amortization	135,658	18,653	104	18,757	154,415
Direct mail and telemarketing	4,762	2,266	139,216	141,482	146,244
Equipment rental	-	32,751	24,351	57,102	57,102
Insurance	-	185,349	-	185,349	185,349
Interest	-	250,196	-	250,196	250,196
Legal fees	-	370,946	688	371,634	371,634
Rent – office/studio	15,310	337,040	-	337,040	352,350
Rent – tower	333,900	-	-	-	333,900
Office expenses	766	129,393	11,843	141,236	142,002
Outside services	322	117,730	118,089	235,819	236,141
Permits, fines, and filing fees	3,685	3,750	-	3,750	7,435
Programming costs	133,603	47,596	760	48,356	181,959
Repairs and maintenance	68,046	132,713	8,004	140,717	208,763
Storage	-	40,847	-	40,847	40,847
Tapes and supplies	3,215	2,412	-	2,412	5,627
Taxes – property	-	31,354	-	31,354	31,354
Training conferences	22,669	106	5,638	5,744	28,413
Travel	3,190	28,220	-	28,220	31,410
Utilities	143,317	144,885	-	144,885	288,202
Website and audioport	51,776	2,512	2,875	5,387	57,163
<b>Total Expenses</b>	<b>\$ 5,561,748</b>	<b>\$ 4,625,836</b>	<b>\$ 1,054,382</b>	<b>\$ 5,680,218</b>	<b>\$ 11,241,966</b>

**Pacifica Foundation Inc.**

Statements of Cash Flows  
For the Years Ended September 30, 2021 and 2020

	2021	2020
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ (15,212)	\$ 743,012
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Forgiveness of Paycheck Protection Program loan	(1,222,237)	(1,256,630)
Depreciation and amortization	202,244	154,415
Gain on accrued pension plan adjustment	-	(477,918)
Change in present value discount	(1,300)	-
Change in allowance for doubtful contributions receivable	9,700	14,600
Realized and unrealized gains on investments	(166,963)	(37,408)
Change in operating assets and liabilities:		
(Increase) decrease in:		
Contributions receivable	105,050	64,628
Prepaid expenses	(2,149)	4,743
Inventory	13,738	(23,268)
Other assets	(2,920)	9,406
Increase (decrease) in:		
Accounts payable	294,226	15,450
Accrued expenses and payroll benefits	(336,369)	(316,549)
	(1,122,192)	(1,105,519)
<b>Cash Flows from Investing Activities</b>		
Proceeds from sales of investments	28,677	27,379
Change in restricted cash	(16,800)	103,603
Purchases of property and equipment	(170,832)	(28,851)
	(158,955)	102,131
<b>Cash Flows from Financing Activities</b>		
Proceeds from Paycheck Protection Program forgivable loan	1,222,237	1,256,630
Net proceeds from EIDL loan payable	149,900	-
Payments on equipment loan payable	(10,734)	(9,851)
	1,361,403	1,246,779
<b>Net Increase in Cash and Cash Equivalents</b>	80,256	243,391
<b>Cash and Cash Equivalents, beginning of year</b>	1,199,366	955,975
<b>Cash and Cash Equivalents, end of year</b>	\$ 1,279,622	\$ 1,199,366
<b>Supplementary Disclosure of Cash Flow Information</b>		
Cash paid for interest	\$ 200,560	\$ 318,338
Cash paid for taxes	\$ 16,622	\$ 31,354

## **Pacifica Foundation Inc.**

Notes to Financial Statements  
September 30, 2021 and 2020

### **1. Nature of Operations**

Pacifica Foundation Inc. (“the Foundation”) was incorporated under the Nonprofit Corporation Law of the State of California on August 24, 1946 and was recognized as a tax-exempt organization in April 1958 under Section 101(c) of the 1939 Internal Revenue Code (IRC), which now corresponds with IRC 501(c)(3) as a public charity. The Foundation currently operates five FM radio stations and maintains a program tape library that is used to sell and rent taped programs to other noncommercial radio stations, news services, schools, colleges, universities, and the general public. Contributions are used to support non-commercial radio stations and to create public affairs programming, which is available to approximately 200 affiliated non-commercial radio stations. The financial statements include the operations of the following divisions:

Pacifica Foundation – National Office  
Pacifica Foundation – Pacifica Radio Archives  
Radio Station – KPFA-Berkeley, California  
Radio Station – KPFK-Los Angeles, California  
Radio Station – KPFT-Houston, Texas  
Radio Station – WBAI-New York, New York  
Radio Station – WPFW-Washington, D.C.

### **2. Summary of Significant Accounting Policies**

#### Principles of Combination

The financial statements include the accounts of the Foundation and the various divisions identified above, all of which have common national-level management and have delegates (“Directors”) who participate on the Foundation’s National Board. All significant balances and transactions between the Foundation’s divisions have been eliminated.

#### Basis of Accounting and Presentation

The Foundation’s financial statements are prepared on the accrual basis of accounting. Net assets are reported based on the presence or absence of donor-imposed restrictions as follows:

- *Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor restrictions.

## Pacifica Foundation Inc.

Notes to Financial Statements  
September 30, 2021 and 2020

### 2. Summary of Significant Accounting Policies (continued)

#### Basis of Accounting and Presentation (continued)

- *Net Assets With Donor Restrictions* – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

#### Cash Equivalents

For the purpose of the statements of cash flows, the Foundation considers as cash equivalents all highly liquid investments, which can be converted into known amounts of cash and have a maturity period of 90 days or less at the time of purchase.

#### Investments

Investments are stated at fair value. Unrealized gains and losses are reported as a component of net investment return and are included in the accompanying statements of activities.

#### Contributions Receivable

Contributions receivable represent unconditional promises to give. Amounts to be collected more than a year after the statements of financial position date are recorded net of a present value discount. The discounts on these amounts are computed using risk-free interest rates applicable to the period over which the promises are to be received. The Foundation provides an allowance for doubtful pledges using the allowance method, which is based on management's judgment, considering historical information. Accounts are individually analyzed for collectability, and will be reserved based on individual evaluation and specific circumstances. When all collection efforts have been exhausted, the amounts are written-off against the related allowance. At September 30, 2021 and 2020, an allowance of \$24,300 and \$14,600, respectively, was recorded and included in contributions receivable in the accompanying statements of financial position.

## Pacifica Foundation Inc.

Notes to Financial Statements  
September 30, 2021 and 2020

### 2. Summary of Significant Accounting Policies (continued)

#### Inventory

Each station maintains an inventory of items used for premium incentives in fundraising activities that are carried at the lower of cost or fair value. The Foundation determined costs using the first-in, first-out method. Obsolete or unsalable inventory is reflected at its estimated net realizable value.

#### Restricted Cash

Restricted cash primarily represents funds restricted for specific purposes that are generally required to be held in separate bank accounts in accordance with donor and lender stipulations and restrictions.

#### Property and Equipment

Property and equipment are valued at cost or, if donated, at fair market value on the date of donation. The cost of property and equipment exceeding \$2,000 is capitalized and depreciated over the estimated useful life of each class of depreciable asset. Amortization of leasehold improvements is computed using the straight-line method over the shorter of the remaining lease term or the estimated useful lives of the improvements. Maintenance and repairs are charged to expense as incurred. The useful estimated lives of property and equipment are summarized as follows:

Office and computer equipment	5 years
Leasehold improvements	10 years
Furniture and fixtures	10 years
Transmitter, technical, and antenna equipment	10 – 20 years
Buildings	30 years

#### Revenue Recognition

Listener support and donations are reflected net of premiums incentives issued in exchange for payments received. Total premiums incentives and related costs amounted to \$454,817 and \$422,073 for the years ended September 30, 2021 and 2020, respectively.

## **Pacifica Foundation Inc.**

Notes to Financial Statements  
September 30, 2021 and 2020

### **2. Summary of Significant Accounting Policies (continued)**

#### Revenue Recognition (continued)

Grants and contributions are recorded as revenue when received or promised. The Foundation reports gifts of cash and other assets as restricted support if they are received or promised with donor stipulations that limit the use of the donated assets to one of the Foundation's programs or to a future year. When a donor restriction expires, that is, when a purpose restriction is accomplished or time restriction has elapsed, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Net assets with donor restrictions are reported as net assets without donor restrictions if the restrictions are met in the same period received.

Sub-carrier income is generated from outside companies that are allowed to use a portion of certain stations' base bands in order to broadcast signals to the outside companies' subscribers, as per agreement with the Foundation. Revenue from sub-carriers is recognized when earned.

Revenue received from community events is recognized at the time the event is held.

Revenue from all other sources is recognized when earned.

#### Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

#### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

## **Pacifica Foundation Inc.**

Notes to Financial Statements  
September 30, 2021 and 2020

### **2. Summary of Significant Accounting Policies (continued)**

#### Measure of Operations

The Foundation includes in its measure of operations all revenues and expenses that are an integral part of its programs and supporting activities, and excludes non-routine items such as the gain stemming from the adjustment of the property tax liability and pension plan liabilities.

#### Recently Issued Accounting Pronouncement

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2016-02, *Leases*. The update requires a lessee to recognize a right-of-use asset and lease liability, initially measured at the present value of the lease payments, in its statements of financial position. The guidance also expands the required quantitative and qualitative lease disclosures. The guidance is effective beginning in 2023.

#### Subsequent Events

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through August 10, 2022, the date the financial statements were available to be issued.

The Foundation lost its property tax exemption for KPFA properties in 2014 due to issues with a corporate name change. While this has been in dispute, the Foundation has accrued real estate taxes, penalties, and interest in the amount of \$473,013 as of September 30, 2020, which is included in accrued expenses in the accompanying statements of financial position. In July 2022, the Foundation received an exemption certificate retroactive to 2014. As a result, the Foundation no longer has an obligation to pay this and an adjustment was made as of September 30, 2021 to reduce the liability by \$427,677, which is included in non-operating activities in the accompanying statement of activities.

## Pacifica Foundation Inc.

Notes to Financial Statements  
September 30, 2021 and 2020

### 3. Concentrations of Risk

#### Revenue Risk

The Foundation receives a substantial portion of its support from listeners and members. A significant reduction in the level of this support could have an adverse effect on its ability to continue programs and activities, which are funded wholly or partially by the generosity of listeners and members.

#### Credit Risk

Financial instruments that potentially subject the Foundation to significant concentrations of credit risk consist of cash and cash equivalents, and investments. The Foundation maintains cash deposit and transaction accounts with various financial institutions and these values, from time to time, exceed insurable limits under the Federal Deposit Insurance Corporation (FDIC) and Securities Investor Protection Corporation (SIPC). The Foundation has not experienced any credit losses on its cash and cash equivalents, and investments to date as it relates to FDIC and SIPC insurance limits. Management periodically assesses the financial condition of these financial institutions and believes that the risk of any credit loss is minimal.

### 4. Liquidity and Availability

The Foundation strives to maintain liquid financial assets sufficient to cover 90 days of general expenditures. Management periodically reviews the Foundation's liquid asset needs and adjusts the cash and cash equivalent balances as necessary. Financial assets that are available for general expenditures within one year of the statements of financial position date comprise the following at September 30:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 1,279,622	\$ 1,199,366
Contributions receivable	104,573	218,023
Investments	685,164	546,878
Less: net assets with donor restrictions	<u>(872,663)</u>	<u>(822,577)</u>
Total available for general expenditures	<u>\$ 1,196,696</u>	<u>\$ 1,141,690</u>



## Pacifica Foundation Inc.

Notes to Financial Statements  
September 30, 2021 and 2020

### 5. Investments and Fair Value Measurement

The Foundation follows FASB Accounting Standards Codification 820, *Fair Value Measurements and Disclosures*, for its financial assets. This standard establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

Fair value measurement standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or other valuation techniques) to determine fair value. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the entity's perceived risk of that instrument.

The inputs used in measuring fair value are categorized into three levels. Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and liabilities and have the highest priority. Level 2 is based upon observable inputs other than quoted market prices, and Level 3 is based on unobservable inputs. Transfers between levels are recognized at the end of the reporting period.

In general, and where applicable, the Foundation uses quoted prices in active markets for identical assets to determine fair value. The Foundation's investments are classified within Level 2 as they are based on observable inputs other than quoted market prices.

The following table presents the Foundation's fair value hierarchy for those investments measured on a recurring basis as of September 30:

	Level 1	Level 2	Level 3	Total
<u>2021:</u>				
San Francisco Foundation – Heath Fund	\$ -	\$ 685,164	\$ -	\$ 685,164
Total investments	\$ -	\$ 685,164	\$ -	\$ 685,164
<u>2020:</u>				
San Francisco Foundation – Heath Fund	\$ -	\$ 546,878	\$ -	\$ 546,878
Total investments	\$ -	\$ 546,878	\$ -	\$ 546,878

**Pacifica Foundation Inc.**

Notes to Financial Statements  
September 30, 2021 and 2020

**6. Contributions Receivable**

Contributions receivable are due as follows at September 30:

	<u>2021</u>	<u>2020</u>
Due in less than one year	\$ 128,873	\$ 144,423
Due in one to five years	<u>-</u>	<u>89,500</u>
Total contributions receivable	128,873	233,923
Less: allowance	(24,300)	(14,600)
Less: present value discount (at 2.0%)	<u>-</u>	<u>(1,300)</u>
Contributions receivable, net	<u><u>\$ 104,573</u></u>	<u><u>\$ 218,023</u></u>

**7. Property and Equipment**

Property and equipment consists of the following at September 30:

	<u>2021</u>	<u>2020</u>
Land	\$ 432,428	\$ 432,428
Building and improvements	2,356,141	2,356,141
Leasehold improvements	609,465	609,465
Furniture and fixtures	224,711	224,711
Equipment	<u>6,818,884</u>	<u>6,648,052</u>
Total property and equipment	10,441,629	10,270,797
Less: accumulated depreciation and amortization	<u>(9,018,701)</u>	<u>(8,816,457)</u>
Property and equipment, net	<u><u>\$ 1,422,928</u></u>	<u><u>\$ 1,454,340</u></u>

## **Pacifica Foundation Inc.**

Notes to Financial Statements  
September 30, 2021 and 2020

### **8. Note Payable, Equipment Loan Payable, Paycheck Protection Program, and EIDL**

#### Note Payable

In order to remit payment under the Empire State Realty Trust (ESRT) Settlement Agreement, the Foundation obtained a \$3.265 million loan from a nonprofit lender during April 2018. The terms of the note, and subsequent amendments signed in April 2021, call for interest-only payments due quarterly, with a final lump-sum payment of all unpaid interest and principal due October 30, 2024.

The Foundation made a \$100,000 principal payment to the lender during fiscal year 2019.

The annual interest rate on this instrument is 3% (+ prime rate). The lender also required a set-aside of approximately \$379,000 for the purpose of making interest-only loan payments during the first 18 months of the loan. In addition, the KPFA, KPFK, and KPFT buildings have been pledged as collateral for this loan. Interest expense for this note totaled \$215,807 and \$250,196 for the years ended September 30, 2021 and 2020, respectively.

Under the loan (and subsequent amendments), the Foundation is subject to specific loan covenants, some of which are summarized as follows:

- Submission of audited financial statements within 120 days following the close of the fiscal year.
- Submission of paperwork signed by the CFO certifying compliance with all covenants within 120 days following the close of the fiscal year.
- The Foundation shall not make capital expenditures for its stations in excess of \$150,000 during any fiscal year without the prior written consent of the lender.
- The Foundation shall not, except with the prior written approval of the lender, incur any debt in excess of \$25,000 in any one instance other than customary trade payables.
- A “Reserve Account” in the amount of \$379,000 must be created (which is now part of restricted cash in the accompanying statements of financial position).
- The Foundation must be in compliance with every material provision of the Employee Retirement Income Security Act of 1974 (ERISA).
- Bequests received by the Foundation beyond April 19, 2021 are subject to additional interest charged by the lender to varying percentages depending on the direction and restriction of the gift (0% if restricted; 50% if a general, unrestricted gift; and 30% if directed to a particular station).

## Pacifica Foundation Inc.

Notes to Financial Statements  
September 30, 2021 and 2020

### 8. Note Payable, Equipment Loan Payable, Paycheck Protection Program, and EIDL (continued)

#### Note Payable (continued)

In March 2018, the Foundation obtained a loan in the amount of \$500,000 (“Supporters Loan”) from various benefactors of the Foundation (Board members and other individuals). The purpose of this loan was to cover restoration and moving expenses related to the relocation of the WBAI transmitter from the Empire State Building to 4 Times Square.

The building owned by the Foundation at 1921-1925 Martin Luther King Jr. Way in Berkeley (which housed the financial staff of the National Office until August 2019) was pledged as collateral for this loan. This loan was repaid in full in June 2018 when the property at 1921-1925 Martin Luther King Jr. Way was sold for \$1.1 million. In June 2018, the building was leased back to the Foundation for a period of two years under an agreement requiring monthly rental payments of \$4,500. The Board resolved to allocate the money available from the proceeds from the building sale, which were used to retire the \$500,000 Supporters Loan and \$379,000 to fund the Reserve Account. Any remaining balance (closing costs, settlement charges, etc.) will be available for other uses.

#### Paycheck Protection Program Loans

The Foundation applied for a loan under the Paycheck Protection Program (PPP) pursuant to Division A, Title 1 of the CARES Act, which was enacted on March 27, 2020. The PPP is a loan designed to provide a direct incentive for small businesses to keep their workers on the payroll through the COVID-19 pandemic, for which the Foundation qualified. After the loans are granted, the Small Business Administration (SBA) will forgive loans if all employee retention criteria are met, and the funds are used for eligible expenses (which primarily consist of payroll costs, costs used to continue group healthcare benefits, rent, and utilities). The Paycheck Protection Program Flexibility Act of 2020 was enacted on June 5, 2020, and amends the PPP to give borrowers more freedom in how and when loan funds are spent while retaining the possibility of full forgiveness.

The PPP loan was granted to the Foundation on June 19, 2020 in the amount of \$1,256,630. During the covered period, the Foundation incurred qualifying expenditures and applied for forgiveness of the full amount of the PPP loan. Management has determined the conditions have been substantially satisfied as of September 30, 2020, and the related amount was recognized as grant revenue in the accompanying statement of activities for the year ended September 30, 2020. On January 12, 2021, the full amount of this loan was forgiven by the SBA.

**Pacifica Foundation Inc.**

Notes to Financial Statements  
September 30, 2021 and 2020

**8. Note Payable, Equipment Loan Payable, Paycheck Protection Program, and EIDL (continued)**

Paycheck Protection Program Loans (continued)

During 2021, the Foundation applied for a second loan under the PPP. The second PPP loan was granted to the Foundation on February 9, 2021 in the amount of \$1,222,237 and matures on February 9, 2026. This PPP loan bears interest at a fixed rate of 1.00%, which is payable monthly commencing on February 9, 2022. During the covered period, the Foundation incurred qualifying expenditures and applied for forgiveness of the full amount of the PPP loan. Management has determined the conditions have been substantially satisfied as of September 30, 2021, and the related amount was recognized as grant revenue in the accompanying statement of activities for the year ended September 30, 2021. On August 16, 2021, the full amount of this loan was forgiven by the SBA.

Equipment Loan Payable

During 2018, the Foundation entered into an equipment loan in conjunction with WBAI relocating to 4 Times Square. The terms of the loan include an 8% per annum interest rate. In addition, the loan calls for monthly payments of \$1,579 consisting of principal and accrued interest, which commenced in May 2019, with a final payment of all unpaid principal and interest due on April 30, 2028.

Future minimum payments are as follows as of September 30:

2022	\$	18,950
2023		18,950
2024		18,950
2025		18,950
2026		18,950
Thereafter		<u>30,004</u>
Total future minimum payments		124,754
Less: amount representing interest		<u>(27,154)</u>
Equipment loan payable	\$	<u><u>97,600</u></u>

**Pacifica Foundation Inc.**

Notes to Financial Statements  
September 30, 2021 and 2020

**8. Note Payable, Equipment Loan Payable, Paycheck Protection Program, and EIDL (continued)**

Economic Injury Disaster Loan

The Foundation applied for an Economic Injury Disaster Loan (“the EIDL loan”) pursuant to Section 7(b) of the Small Business Act. The EIDL loan is to be used solely as working capital to alleviate economic injury caused by disaster occurring in the month of January 2020 and continuing thereafter. The EIDL loan was granted to the Foundation on November 5, 2020 in the amount of \$150,000. The EIDL loan yields a 2.75% interest rate and requires monthly payments of principal and interest totaling \$641 starting on November 5, 2021, with a final payment of all unpaid principal and interest due on November 5, 2050.

Future minimum principal payments under the loan are as follows for the years ending September 30:

2022	\$	7,051
2023		7,692
2024		7,692
2025		7,692
2026		7,692
Thereafter		<u>112,081</u>
Future minimum principal payments	\$	<u><u>149,900</u></u>

Subsequent to year end, in 2022, the Foundation applied for additional loan funds through this program, which brought the total amount borrowed to \$2 million, with the same terms as mentioned above. The additional liability will be reflected on the September 30, 2022 statement of financial position.

**Pacifica Foundation Inc.**

Notes to Financial Statements  
September 30, 2021 and 2020

**9. Net Assets With Donor Restrictions**

Net assets with donor restrictions consist of the following at September 30:

	<u>2021</u>	<u>2020</u>
Purpose restricted:		
KPFA – long-form educational reporting	\$ 112,966	\$ 201,166
KPFA – internship opportunities	74,534	74,534
Endowments:		
KPFA – Heath Trust endowment fund	240,873	102,587
KPFA – other endowment fund	150,000	150,000
KPFK – other endowment fund	9,188	9,188
National Office – other endowment fund	196,055	196,055
National Office – Heath Trust endowment fund	<u>89,047</u>	<u>89,047</u>
Total net assets with donor restrictions	<u>\$ 872,663</u>	<u>\$ 822,577</u>

**10. Endowment**

The Foundation’s endowment consists of five funds established for a variety of purposes. Net assets associated with this endowment are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Directors of the Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

## Pacifica Foundation Inc.

Notes to Financial Statements  
September 30, 2021 and 2020

### 10. Endowment (continued)

#### Interpretation of Relevant Law (continued)

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted funds: (1) duration and preservation of the fund; (2) purposes of the Foundation and the donor-restricted endowment fund; (3) general economic conditions; (4) possible effect of inflation and deflation; (5) expected total return from income and the appreciation or depreciation of investments; (6) other resources of the Foundation; and (7) investment policies of the Foundation.

#### Return Objectives, Risk Parameters, and Strategies

The Foundation has adopted investment and spending policies for endowment assets that attempt to preserve the purchasing power of the Endowment Fund and at the same time provide a regular distribution of funds for use of the Foundation, consistent with the terms of the Endowment Fund Distribution Policy and the terms governing each of the individual endowment funds. The Foundation follows a balanced approach between risk, preservation of capital, income, and growth.

#### Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or Board of Directors requires the Foundation to retain as a fund of perpetual duration. The Foundation has a deficit of \$430,892 and \$569,178 as of September 30, 2021 and 2020, respectively.

Endowment net assets were comprised of the following at September 30:

	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>Total</u>
<u>2021:</u>			
Donor-restricted endowment	\$ -	\$ 685,163	\$ 685,163
Total endowment net assets	\$ -	\$ 685,163	\$ 685,163
<u>2020:</u>			
Donor-restricted endowment	\$ -	\$ 546,877	\$ 546,877
Total endowment net assets	\$ -	\$ 546,877	\$ 546,877



## Pacifica Foundation Inc.

Notes to Financial Statements  
September 30, 2021 and 2020

### 10. Endowment (continued)

#### Changes in Endowment Net Assets

Changes in endowment funds were as follows for the year ended September 30, 2021:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning	\$ -	\$ 546,877	\$ 546,877
Interest income	-	166,963	166,963
Appropriation of assets for expenditure	-	(28,677)	(28,677)
Endowment net assets, ending	\$ -	\$ 685,163	\$ 685,163

Changes in endowment funds were as follows for the year ended September 30, 2020:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning	\$ -	\$ 536,848	\$ 536,848
Interest income	-	37,408	37,408
Appropriation of assets for expenditure	-	(27,379)	(27,379)
Endowment net assets, ending	\$ -	\$ 546,877	\$ 546,877

### 11. Commitments and Contingencies

#### Operating Leases

The Foundation is obligated under certain multi-year operating leases for office space, studio, and radio tower equipment. The leases expire at various dates through April 30, 2028. The Foundation is also obligated under several month-to-month lease agreements to rent office and studio space. Rent expense for all leases (including facilities, tower, and equipment) amounted to \$635,546 and \$686,250 for the years ended September 30, 2021 and 2020, respectively.

**Pacifica Foundation Inc.**

Notes to Financial Statements  
September 30, 2021 and 2020

**11. Commitments and Contingencies (continued)**

Operating Leases (continued)

Future minimum lease payments under all multi-year lease agreements are as follows for the years ending September 30:

	Towers	Facilities	Equipment	Total
2022	\$ 159,320	\$ 9,249	\$ 18,950	\$ 187,519
2023	164,099	1,861	18,950	184,910
2024	169,022	-	18,950	187,972
2025	174,093	-	18,950	193,043
2026	179,316	-	18,950	198,266
Thereafter	294,296	-	36,319	330,615
Total future minimum lease payments	\$ 1,140,146	\$ 11,110	\$ 131,069	\$ 1,282,325

General Contingencies

In the normal course of business there are various outstanding commitments and contingent liabilities, such as commitments to enter into contracts and future programs, which are not reflected in the financial statements. Such commitments and contingencies also include risks associated with various economic and operating factors, which include: (a) Grant restrictions, donor conditions, and government contracts that obligate the Foundation to fulfill certain requirements, conditions, and activities; (b) Funding levels that vary based on factors beyond the Foundation's control, such as generosity of donors and general economic conditions; (c) Employment and service agreements with key management personnel; (d) Lawsuits and unasserted claims arising from the ordinary course of business; (e) Loan agreement covenants related to borrowing arrangements; and (f) Financial risks associated with funds on deposit at bank and investment brokerage accounts. Management believes that such commitments, contingencies, and risks will not have a material adverse effect on the financial statements.

Certain grants and contracts (including current and prior costs) are subject to audit and final acceptance by the granting organizations.

## **Pacifica Foundation Inc.**

Notes to Financial Statements  
September 30, 2021 and 2020

### **11. Commitments and Contingencies (continued)**

#### Collective Bargaining Agreements (CBA)

Certain employees at certain geographic locations of the Foundation are enrolled in and protected by union agreements. Such agreements place restrictions on the employer and govern the hiring and firing of employees. Management is aware that certain policies reflected in the employee handbook are inconsistent with the union agreements and a labor attorney has been engaged to reconcile the language between these documents.

#### Sub-Carrier Agreement

The Foundation entered into sub-carrier agreements in March 1984, whereby outside companies are allowed to use a portion of certain Foundation stations' base bands in order to broadcast signals to the outside companies' subscribers. The initial terms of the agreements were five years from start of operations at each respective station. Subsequent to the initial agreements, some of the leases have expired and some have renewed. Income from the leases is recorded in total at the National Office and allocated to the various stations for special projects as needed and approved by the Board.

#### Employment Contract

The Foundation has several long-term employment contracts that contain arbitration clauses with certain current and former employees. The estimated liabilities associated with these agreements cannot be estimated and no amount has been accrued in these financial statements.

### **12. Pension Plans**

The Foundation has a 403(b) defined contribution retirement plan ("the 403(b) Plan") covering all eligible regular full time and part time employees who are employed for a minimum of six months. Funds from participants electing to make salary deferrals are invested along with employer matching funds in individual, self-directed accounts. The Foundation's contributions to employee participant accounts amounted to \$65,439 and \$58,289 during the years ended September 30, 2021 and 2020, respectively.

## **Pacifica Foundation Inc.**

Notes to Financial Statements  
September 30, 2021 and 2020

### **12. Pension Plans (continued)**

The Foundation also has a profit-sharing plan (“the Pacifica Retirement Plan”), which provides for contributions based on 2% – 2.5% or more of total annual compensation earned per eligible employee during the plan year. Profit sharing amounts are invested in a portfolio of investments as directed by the Foundation. All employer contributions are subject to limitations imposed by applicable provisions of the IRC. The Foundation’s required contributions to the Pacifica Retirement Plan amounted to \$60,840 and \$61,778 for the years ended September 30, 2021 and 2020, respectively, which are included in accrued expenses and payroll benefits in the statements of financial position at September 30, 2021 and 2020, respectively. As of August 10, 2022, these amounts have been remitted.

### **13. Accrued Payroll and Related Benefits (Including Compensated Absences)**

The financial statement presentation follows the recommendations of FASB Accounting Standards Codification (ASC) 710.25, *Compensated Absences*. Under FASB ASC 710.25, the Foundation is required to record a liability for the estimated amounts of compensation for future absences. Employees are permitted to accrue a specific number of hours of vacation, which is payable upon termination of the employee. Sick leave is not paid upon termination. Annual leave accruals are recorded in the financial statements as an accrued liability in the statements of financial position based on hourly rates in effect at the end of the fiscal year.

Total accrued payroll and related benefits amounted to \$989,329 and \$1,325,698 at September 30, 2021 and 2020, respectively, and are included in accrued expenses and payroll benefits in the statements of financial position.

### **14. Pending or Threatened Litigations**

#### New York

In November 2016, the owner of the Empire State Building filed a lawsuit against the Foundation alleging that the radio network owed \$1.35 million in rent and fees for the tower of its New York City station, WBAI. The suit alleged that the Foundation had been “chronically late” on its rent payments. The lawsuit sought unpaid rent in the amount of \$1,357,429 plus attorneys’ fees and penalties. In April 2018, the Foundation accepted a settlement agreement with ESRT. The Foundation paid ESRT \$3,085,000, which covered all monies owed to ESRT including interest, fees, relocation costs, penalties, and legal expenses through May 31, 2018. Further, ESRT released the Foundation from its contract with them, which would have otherwise obligated the Foundation through October 2022.

## **Pacifica Foundation Inc.**

Notes to Financial Statements  
September 30, 2021 and 2020

### **14. Pending or Threatened Litigations (continued)**

#### New York (continued)

See Note 8 for further discussion on this.

#### Other Matters

The Foundation has been named as a defendant in various other lawsuits, which include claims of (a) wrongful termination, (b) wrongful removal from Board of Director positions, (c) violation of union contracts, and (d) other matters. In some cases, the Foundation has assessed the potential liabilities and has accrued the possible exposure. In other cases, the Foundation has contested the claims and sought arbitration.

Management believes that such pending and threatened litigation and related matters will not have a material adverse effect on the financial statements and that all potential liabilities that could materialize have been accrued in the financial statements.

### **15. Results of Operations**

The Foundation has sustained significant losses from operating activities in prior years resulting in a total net deficit of \$1,241,649 and \$1,226,437 at September 30, 2021 and 2020, respectively. The Foundation has taken measures to reduce its operating costs, streamline its operations, and increase revenues and support.

Based on management's best estimate of future cash flows, these actions are expected to allow the Foundation to operate through the foreseeable future, subject to the factors discussed in Note 16. The Foundation's management is also prepared to employ additional cost-cutting measures if the actual cash flows do not meet the current projections. The ability of the Foundation to sustain its operations in the long term depends on its ability to reduce operating costs and increase sources of cash flows. Lastly, the Foundation prepared a Financial Recovery and Stabilization Plan to address issues related to organizational and financial matters and to set a road map for future operations with an emphasis on stable management and sustainable revenue patterns.

### **16. Substantial Doubt About an Entity's Ability to Continue as a Going Concern**

In accordance with applicable accounting and auditing standards, substantial doubt about an entity's ability to continue as a going concern exists when conditions and events, considered in the aggregate, indicate that it is probable that the entity will be unable to meet its obligations as they become due within one year after the date that the financial statements are issued.

## **Pacifica Foundation Inc.**

Notes to Financial Statements  
September 30, 2021 and 2020

### **16. Substantial Doubt About an Entity's Ability to Continue as a Going Concern (continued)**

#### Principal Conditions or Events that Raise Substantial Doubt About the Entity's Ability to Continue as a Going Concern

As a consequence of entering into a settlement agreement with ESRT, the Foundation has amassed debt of \$3.165 million in 2018 (as disclosed in earlier footnotes). These financing commitments will eventually require repayment in full, placing a significant strain on the cash flows and operating activities of the Foundation. It is not entirely clear how the remaining funds will materialize. In order to sustain operations, funds will need to be generated from contributed income and earned revenue streams in order to ensure loan repayments. Additionally, it appears that certain loan covenants will be difficult (if not impossible) to be complied with. For example, the Foundation will be facing an event of default unless audited financial data is submitted within 120 days of the end of the fiscal year. Other violations of certain loan covenants also appear to be likely, which puts the Foundation at risk of having the loan called prematurely, which also puts at risk property and equipment pledged as collateral.

#### Management's Evaluation of the Significance of Those Conditions or Events in Relation to the Entity's Ability to Meet its Obligations

The Foundation's management understands the significance of the terms and conditions of all secured and unsecured debt instruments. Management intends to take a proactive approach with respect to the covenants and work with the lenders to mitigate any events of default.

#### Management's Plans that Are Intended to Mitigate the Conditions or Events that Raise Substantial Doubt About the Entity's Ability to Continue as a Going Concern

Management continues to formulate plans and programs to enhance the financial condition of the Foundation, including cost-cutting measures, revenue enhancement strategies, and the lease or sale of certain properties to provide sufficient cash flows to properly service the debt and provide sufficient working capital to satisfy ongoing operational expenditures and related commitments (such as payroll and related benefits).

## **Pacifica Foundation Inc.**

Notes to Financial Statements  
September 30, 2021 and 2020

### **16. Substantial Doubt About an Entity's Ability to Continue as a Going Concern (continued)**

#### Management's Plans that Are Intended to Mitigate the Conditions or Events that Raise Substantial Doubt About the Entity's Ability to Continue as a Going Concern (continued)

The Foundation will continue the repayment of the loans through funds allocated per a Reserve Agreement. During the term of the loan, only interest is paid. Subsequent to year end, payments have been made to principal bringing the balance down to \$2,258,821 as of July 20, 2022. On July 20, 2022 the lender agreed to move the maturity date of the note to October 30, 2024. The entire principal, plus any unpaid interest, must be paid at the maturity date (October 30, 2024), or earlier if the loan is pre-paid. At present, the monthly note would be a significant burden for the network considering projected revenues. However, successful completion of audits and tax filings through fiscal year 2021 will coincide with efforts to align the Foundation with Corporation for Public Broadcasting Community Service Grant funds.

Additionally, completion of the audits coupled with reliable financial reporting and practices will provide opportunity for major donor support and grantsmanship.

In January 2019, the Foundation entered into an agreement with National Educational Telecommunications Association (NETA) to provide financial management and accounting services for all divisions (National Office, Pacifica Radio Archives, and five stations).

The scope of services includes:

- Accounting services
- Grants and gifts project tracking and reporting
- Human resources support
- Payroll and benefits administration
- Annual audit and annual reports
- Management support and guidance

This significant upgrade will ensure that the Foundation incorporates best practices in all areas. Most importantly, NETA's services will make financial reporting reliable and accurate.

NETA gave timely notice of non-renewal of contracted services. Services will end on or about September 30, 2022. Board and management are making plans for continuing supported functions.

## **Pacifica Foundation Inc.**

Notes to Financial Statements  
September 30, 2021 and 2020

### **17. Income Taxes**

The Foundation is exempt from payment of taxes on income other than net unrelated business income under IRC Section 501(c)(3). For the years ended September 30, 2021 and 2020, there was no unrelated business income and, accordingly, no federal or state income taxes have been recorded. Contributions to the Foundation are deductible as provided in IRC Section 170(b)(1)(A)(vi). Management has evaluated the Foundation's tax positions and concluded that the Foundation's financial statements do not include any uncertain tax positions.

The financial statement presentation follows the recommendations of FASB ASC 740, *Income Taxes*. Under ASC 740, the Foundation is required to report information regarding its exposure to various tax positions taken by the Foundation and requires a two-step process that separates recognition from measurement. The first step is determining whether a tax position has met the recognition threshold; the second step is measuring a tax position that meets the recognition threshold.

Management believes that the Foundation has adequately evaluated its current tax positions and has concluded that as of September 30, 2021 and 2020, the Foundation does not have any uncertain tax positions for which a reserve or an accrual for a tax liability would be necessary. The Foundation may periodically receive unrelated business income requiring the Foundation to file separate tax returns under federal and state statutes.



## **SUPPLEMENTARY INFORMATION**

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**Pacifica Foundation Inc.**

Schedule of Financial Position by Division  
September 30, 2021

	National Division	PRA	KPFA	KPFK	WBAI	WPFW	KPFT	Eliminations	Total
<b>Assets</b>									
Current assets:									
Cash and cash equivalents	\$ 131,088	\$ 57,621	\$ 993,702	\$ 2,075	\$ 3,641	\$ 47,084	\$ 44,411	\$ -	\$ 1,279,622
Investments	-	-	685,164	-	-	-	-	-	685,164
Contributions receivable, net	7,500	5,573	90,000	1,500	-	-	-	-	104,573
Inter-division receivables	11,777,021	-	1,974,041	-	-	-	-	(13,751,062)	-
Prepaid expenses	11,200	-	400	-	-	2,739	231	-	14,570
Inventory	-	-	2,237	22,191	-	4,399	2,074	-	30,901
<b>Total current assets</b>	<b>11,926,809</b>	<b>63,194</b>	<b>3,745,544</b>	<b>25,766</b>	<b>3,641</b>	<b>54,222</b>	<b>46,716</b>	<b>(13,751,062)</b>	<b>2,114,830</b>
Non-current assets:									
Restricted cash	144,368	2,218	5,004	7,277	522	19,548	-	-	178,937
Other assets	-	-	621	17,780	5,300	31,301	-	-	55,002
Property and equipment, net	1,358	2,391	646,759	262,683	94,761	111,165	303,811	-	1,422,928
<b>Total non-current assets</b>	<b>145,726</b>	<b>4,609</b>	<b>652,384</b>	<b>287,740</b>	<b>100,583</b>	<b>162,014</b>	<b>303,811</b>	<b>-</b>	<b>1,656,867</b>
<b>Total assets</b>	<b>\$ 12,072,535</b>	<b>\$ 67,803</b>	<b>\$ 4,397,928</b>	<b>\$ 313,506</b>	<b>\$ 104,224</b>	<b>\$ 216,236</b>	<b>\$ 350,527</b>	<b>\$ (13,751,062)</b>	<b>\$ 3,771,697</b>
<b>Liabilities and Net Assets (Deficit)</b>									
<b>Liabilities</b>									
Accounts payable	\$ 294,500	\$ 65	\$ 16,995	\$ 206,855	\$ 75,201	\$ 250	\$ 17,651	\$ -	\$ 611,517
Accrued expenses and payroll benefits	400,705	21,449	231,358	193,449	78,910	54,343	9,115	-	989,329
Inter-division payables	-	661,961	-	1,528,965	8,523,993	2,182,282	853,861	(13,751,062)	-
EIDL loan payable	149,900	-	-	-	-	-	-	-	149,900
Equipment loan payable	-	-	-	-	97,600	-	-	-	97,600
Note payable	3,165,000	-	-	-	-	-	-	-	3,165,000
<b>Total liabilities</b>	<b>4,010,105</b>	<b>683,475</b>	<b>248,353</b>	<b>1,929,269</b>	<b>8,775,704</b>	<b>2,236,875</b>	<b>880,627</b>	<b>(13,751,062)</b>	<b>5,013,346</b>
<b>Net Assets (Deficit)</b>									
Without donor restrictions	7,777,328	(615,672)	3,571,202	(1,624,951)	(8,671,480)	(2,020,639)	(530,100)	-	(2,114,312)
With donor restrictions	285,102	-	578,373	9,188	-	-	-	-	872,663
<b>Total net assets (deficit)</b>	<b>8,062,430</b>	<b>(615,672)</b>	<b>4,149,575</b>	<b>(1,615,763)</b>	<b>(8,671,480)</b>	<b>(2,020,639)</b>	<b>(530,100)</b>	<b>-</b>	<b>(1,241,649)</b>
<b>Total liabilities and net assets (deficit)</b>	<b>\$ 12,072,535</b>	<b>\$ 67,803</b>	<b>\$ 4,397,928</b>	<b>\$ 313,506</b>	<b>\$ 104,224</b>	<b>\$ 216,236</b>	<b>\$ 350,527</b>	<b>\$ (13,751,062)</b>	<b>\$ 3,771,697</b>

**Pacifica Foundation Inc.**

Schedule of Financial Position by Division  
September 30, 2020

	National Division	PRA	KPFA	KPFK	WBAI	WPFW	KPFT	Eliminations	Total
<b>Assets</b>									
Current assets:									
Cash and cash equivalents	\$ 105,436	\$ 28,151	\$ 934,831	\$ 9,750	\$ 3,061	\$ 36,477	\$ 81,660	\$ -	\$ 1,199,366
Investments	-	-	546,878	-	-	-	-	-	546,878
Contributions receivable, net	31,500	7,806	90,517	-	-	-	-	-	129,823
Inter-division receivables	12,614,652	-	1,464,857	-	-	-	-	(14,079,509)	-
Prepaid expenses	11,200	-	1,221	-	-	-	-	-	12,421
Inventory	-	-	1,796	27,739	-	12,245	2,859	-	44,639
<b>Total current assets</b>	<b>12,762,788</b>	<b>35,957</b>	<b>3,040,100</b>	<b>37,489</b>	<b>3,061</b>	<b>48,722</b>	<b>84,519</b>	<b>(14,079,509)</b>	<b>1,933,127</b>
Non-current assets:									
Restricted cash	113,170	2,217	5,003	7,277	522	33,948	-	-	162,137
Contributions receivable, long-term, net	-	-	88,200	-	-	-	-	-	88,200
Other assets	-	-	-	17,780	5,300	29,002	-	-	52,082
Property and equipment, net	133	5,371	595,787	299,275	111,043	111,550	331,181	-	1,454,340
<b>Total non-current assets</b>	<b>113,303</b>	<b>7,588</b>	<b>688,990</b>	<b>324,332</b>	<b>116,865</b>	<b>174,500</b>	<b>331,181</b>	<b>-</b>	<b>1,756,759</b>
<b>Total assets</b>	<b>\$ 12,876,091</b>	<b>\$ 43,545</b>	<b>\$ 3,729,090</b>	<b>\$ 361,821</b>	<b>\$ 119,926</b>	<b>\$ 223,222</b>	<b>\$ 415,700</b>	<b>\$ (14,079,509)</b>	<b>\$ 3,689,886</b>
<b>Liabilities and Net Assets (Deficit)</b>									
<b>Liabilities</b>									
Accounts payable	\$ 183,469	\$ 2,329	\$ 3,400	\$ 21,167	\$ 70,555	\$ 16,071	\$ 20,300	\$ -	\$ 317,291
Accrued expenses and payroll benefits	229,672	21,253	705,527	196,016	131,879	32,236	9,115	-	1,325,698
Inter-division payables	-	755,593	-	1,539,310	8,497,813	2,368,225	918,568	(14,079,509)	-
Equipment loan payable	-	-	-	-	108,334	-	-	-	108,334
Note payable	3,165,000	-	-	-	-	-	-	-	3,165,000
<b>Total liabilities</b>	<b>3,578,141</b>	<b>779,175</b>	<b>708,927</b>	<b>1,756,493</b>	<b>8,808,581</b>	<b>2,416,532</b>	<b>947,983</b>	<b>(14,079,509)</b>	<b>4,916,323</b>
<b>Net Assets (Deficit)</b>									
Without donor restrictions	9,012,848	(735,630)	2,491,876	(1,403,860)	(8,688,655)	(2,193,310)	(532,283)	-	(2,049,014)
With donor restrictions	285,102	-	528,287	9,188	-	-	-	-	822,577
<b>Total net assets (deficit)</b>	<b>9,297,950</b>	<b>(735,630)</b>	<b>3,020,163</b>	<b>(1,394,672)</b>	<b>(8,688,655)</b>	<b>(2,193,310)</b>	<b>(532,283)</b>	<b>-</b>	<b>(1,226,437)</b>
<b>Total liabilities and net assets (deficit)</b>	<b>\$ 12,876,091</b>	<b>\$ 43,545</b>	<b>\$ 3,729,090</b>	<b>\$ 361,821</b>	<b>\$ 119,926</b>	<b>\$ 223,222</b>	<b>\$ 415,700</b>	<b>\$ (14,079,509)</b>	<b>\$ 3,689,886</b>

**Pacifica Foundation Inc.**

Schedule of Activities by Division  
For the Year Ended September 30, 2021

	National Division	PRA	KPFA	KPFK	WBAI	WPFW	KPFT	Eliminations	Total
<b>Operating Revenue and Support</b>									
Listener support and donations, net	\$ 1,868	\$ 64,836	\$ 2,409,334	\$ 1,457,370	\$ 1,131,507	\$ 1,311,369	\$ 463,706	\$ -	\$ 6,839,990
Grants and contributions	137,067	51,307	1,422,764	1,201,674	362,499	281,862	272,524	-	3,729,697
Sub-carrier income	124,300	-	-	-	-	-	-	-	124,300
Community events	-	-	27,417	7,500	9,065	260	-	-	44,242
Other revenue	66,848	67,045	29,579	-	-	-	-	-	163,472
Investment return, net	26,351	-	167,204	69	-	42	188	-	193,854
Central services	1,386,912	208,560	-	-	-	-	-	(1,595,472)	-
<b>Total operating revenue and support</b>	<b>1,743,346</b>	<b>391,748</b>	<b>4,056,298</b>	<b>2,666,613</b>	<b>1,503,071</b>	<b>1,593,533</b>	<b>736,418</b>	<b>(1,595,472)</b>	<b>11,095,555</b>
<b>Expenses</b>									
Program services	287,316	100,916	2,214,148	1,268,774	461,099	382,481	186,823	-	4,901,557
Supporting services:									
Management and general	1,717,300	215,011	630,629	1,054,099	850,209	835,512	308,145	-	5,610,905
Fundraising and development	-	2,618	403,115	386,164	15,190	106,112	112,783	-	1,025,982
Central services	-	-	471,456	500,868	253,344	208,176	161,628	(1,595,472)	-
<b>Total supporting services</b>	<b>1,717,300</b>	<b>217,629</b>	<b>1,505,200</b>	<b>1,941,131</b>	<b>1,118,743</b>	<b>1,149,800</b>	<b>582,556</b>	<b>(1,595,472)</b>	<b>6,636,887</b>
<b>Total expenses</b>	<b>2,004,616</b>	<b>318,545</b>	<b>3,719,348</b>	<b>3,209,905</b>	<b>1,579,842</b>	<b>1,532,281</b>	<b>769,379</b>	<b>(1,595,472)</b>	<b>11,538,444</b>
<b>Change in Operating Net Assets</b>	<b>(261,270)</b>	<b>73,203</b>	<b>336,950</b>	<b>(543,292)</b>	<b>(76,771)</b>	<b>61,252</b>	<b>(32,961)</b>	<b>-</b>	<b>(442,889)</b>
<b>Non-Operating Activity</b>									
Gain on accrued property tax adj.	-	-	427,677	-	-	-	-	-	427,677
Intercompany allocation of Paycheck Protection Program grant revenue	(974,250)	46,755	364,785	322,201	93,946	111,419	35,144	-	-
<b>Total non-operating activity</b>	<b>(974,250)</b>	<b>46,755</b>	<b>792,462</b>	<b>322,201</b>	<b>93,946</b>	<b>111,419</b>	<b>35,144</b>	<b>-</b>	<b>427,677</b>
<b>Change in Net Assets</b>	<b>(1,235,520)</b>	<b>119,958</b>	<b>1,129,412</b>	<b>(221,091)</b>	<b>17,175</b>	<b>172,671</b>	<b>2,183</b>	<b>-</b>	<b>(15,212)</b>
<b>Net Assets (Deficit), beginning of year</b>	<b>9,297,950</b>	<b>(735,630)</b>	<b>3,020,163</b>	<b>(1,394,672)</b>	<b>(8,688,655)</b>	<b>(2,193,310)</b>	<b>(532,283)</b>	<b>-</b>	<b>(1,226,437)</b>
<b>Net Assets (Deficit), end of year</b>	<b>\$ 8,062,430</b>	<b>\$ (615,672)</b>	<b>\$ 4,149,575</b>	<b>\$ (1,615,763)</b>	<b>\$ (8,671,480)</b>	<b>\$ (2,020,639)</b>	<b>\$ (530,100)</b>	<b>\$ -</b>	<b>\$ (1,241,649)</b>

**Pacifica Foundation Inc.**

Schedule of Activities by Division  
For the Year Ended September 30, 2020

	National Division	PRA	KPFA	KPFK	WBAI	WPFW	KPFT	Eliminations	Total
<b>Operating Revenue and Support</b>									
Listener support and donations, net	\$ -	\$ 80,995	\$ 2,190,787	\$ 1,951,112	\$ 1,230,132	\$ 1,315,134	\$ 601,308	\$ -	\$ 7,369,468
Grants and contributions	1,501,254	11,903	1,040,064	644,644	15,600	78,758	76,373	-	3,368,596
Sub-carrier income	200,900	-	-	-	-	-	-	-	200,900
Community events	-	-	49,017	37,007	-	-	13,257	-	99,281
Other revenue	214,692	40,844	132,191	-	-	-	1,877	-	389,604
Investment return, net	18,701	100	57,398	2,980	-	32	-	-	79,211
Central services	1,386,912	208,560	-	-	-	-	-	(1,595,472)	-
<b>Total operating revenue and support</b>	<b>3,322,459</b>	<b>342,402</b>	<b>3,469,457</b>	<b>2,635,743</b>	<b>1,245,732</b>	<b>1,393,924</b>	<b>692,815</b>	<b>(1,595,472)</b>	<b>11,507,060</b>
<b>Expenses</b>									
Program services	321,973	121,585	2,088,847	1,700,500	624,151	498,831	205,861	-	5,561,748
Supporting services:									
Management and general	1,512,560	187,993	526,408	695,637	698,679	734,451	270,108	-	4,625,836
Fundraising and development	-	1,703	402,842	394,030	69,028	68,431	118,348	-	1,054,382
Central services	-	-	471,456	500,868	253,344	208,176	161,628	(1,595,472)	-
<b>Total supporting services</b>	<b>1,512,560</b>	<b>189,696</b>	<b>1,400,706</b>	<b>1,590,535</b>	<b>1,021,051</b>	<b>1,011,058</b>	<b>550,084</b>	<b>(1,595,472)</b>	<b>5,680,218</b>
<b>Total expenses</b>	<b>1,834,533</b>	<b>311,281</b>	<b>3,489,553</b>	<b>3,291,035</b>	<b>1,645,202</b>	<b>1,509,889</b>	<b>755,945</b>	<b>(1,595,472)</b>	<b>11,241,966</b>
<b>Change in Operating Net Assets</b>	<b>1,487,926</b>	<b>31,121</b>	<b>(20,096)</b>	<b>(655,292)</b>	<b>(399,470)</b>	<b>(115,965)</b>	<b>(63,130)</b>	<b>-</b>	<b>265,094</b>
<b>Non-Operating Activity</b>									
Gain on accrued pension plan liability adjustment	477,918	-	-	-	-	-	-	-	477,918
<b>Total non-operating activity</b>	<b>477,918</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>477,918</b>
<b>Change in Net Assets</b>	<b>1,965,844</b>	<b>31,121</b>	<b>(20,096)</b>	<b>(655,292)</b>	<b>(399,470)</b>	<b>(115,965)</b>	<b>(63,130)</b>	<b>-</b>	<b>743,012</b>
<b>Net Assets (Deficit), beginning of year</b>	<b>7,332,106</b>	<b>(766,751)</b>	<b>3,040,259</b>	<b>(739,380)</b>	<b>(8,289,185)</b>	<b>(2,077,345)</b>	<b>(469,153)</b>	<b>-</b>	<b>(1,969,449)</b>
<b>Net Assets (Deficit), end of year</b>	<b>\$ 9,297,950</b>	<b>\$ (735,630)</b>	<b>\$ 3,020,163</b>	<b>\$ (1,394,672)</b>	<b>\$ (8,688,655)</b>	<b>\$ (2,193,310)</b>	<b>\$ (532,283)</b>	<b>\$ -</b>	<b>\$ (1,226,437)</b>

**Pacifica Foundation Inc.**

Schedule of Expenses by Division  
For the Year Ended September 30, 2021

	National Division	PRA	KPFA	KPFK	WBAI	WPFW	KPFT	Eliminations	Total
Personnel costs	\$ 389,914	\$ 265,427	\$ 2,441,210	\$ 1,776,265	\$ 597,188	\$ 645,099	\$ 212,284	\$ -	\$ 6,327,387
Advertising and promotion	-	-	10,883	1,772	858	-	2,442	-	15,955
Associations and periodicals	-	-	1,246	3,875	-	-	60	-	5,181
Audit and accounting	476,648	-	-	-	-	-	-	-	476,648
Bank charges and credit card fees	33,972	4,567	68,371	61,425	26,389	34,018	26,614	-	255,356
Board meetings and elections	183,756	-	1,440	2,460	3,425	2,093	1,510	-	194,684
Central services	-	-	471,456	500,868	253,344	208,176	161,628	(1,595,472)	-
Communications expense	5,504	2,486	49,426	128,729	29,886	64,286	29,093	-	309,410
Community events	-	1	20,851	22,642	551	4,095	21,226	-	69,366
Computer maintenance	27,793	1,474	18,298	1,692	120	-	-	-	49,377
Consultants	57,815	(1)	-	25,773	228,041	153,325	19,627	-	484,580
Depreciation and amortization	257	2,981	98,863	43,031	16,282	13,460	27,370	-	202,244
Direct mail and telemarketing	-	1	24,757	131,968	-	15,104	39,508	-	211,338
Equipment rental	-	1,173	11,649	31,941	4,884	-	7,027	-	56,674
Insurance	191,344	1	19,907	8,061	-	-	-	-	219,313
Interest	200,560	-	-	-	15,247	-	-	-	215,807
Legal fees	296,477	(3)	82,536	155,745	325	-	13,411	-	548,491
Rent – office/studio	4,800	-	-	-	58,300	200,656	-	-	263,756
Rent – tower	-	-	18,100	29,065	169,792	74,894	79,939	-	371,790
Office expenses	20,533	1,409	9,212	12,904	27,708	19,921	17,795	-	109,482
Outside services	205	919	86,322	309	78,623	51,785	37,357	-	255,520
Permits, fines, and filing fees	29,486	(1)	-	847	-	-	377	-	30,709
Programming costs	67,642	-	58,495	14,023	4,969	-	42,157	-	187,286
Repairs and maintenance	147	2,457	85,978	68,747	33,697	(3,584)	13,544	-	200,986
Storage	9,635	27,276	-	2,837	3,049	-	-	-	42,797
Tapes and supplies	-	5,481	-	-	220	-	-	-	5,701
Taxes – property	-	-	-	12,064	-	-	4,558	-	16,622
Training conferences	8,128	2	12,707	-	-	-	-	-	20,837
Travel	-	-	1,782	16,594	1,726	2,438	5,649	-	28,189
Utilities	-	-	76,481	149,793	17,834	46,515	6,163	-	296,786
Website and audioport	-	2,895	49,378	6,475	7,384	-	40	-	66,172
<b>Total Expenses</b>	<b>\$ 2,004,616</b>	<b>\$ 318,545</b>	<b>\$ 3,719,348</b>	<b>\$ 3,209,905</b>	<b>\$ 1,579,842</b>	<b>\$ 1,532,281</b>	<b>\$ 769,379</b>	<b>\$ (1,595,472)</b>	<b>\$ 11,538,444</b>

**Pacifica Foundation Inc.**

Schedule of Expenses by Division  
For the Year Ended September 30, 2020

	National Division	PRA	KPFA	KPFK	WBAI	WPFW	KPFT	Eliminations	Total
Personnel costs	\$ 353,880	\$ 264,343	\$ 2,282,066	\$ 2,054,311	\$ 598,427	\$ 674,704	\$ 248,216	\$ -	\$ 6,475,947
Advertising and promotion	469	176	1,390	1,620	2,339	-	1,877	-	7,871
Associations and periodicals	-	-	547	7,979	-	-	-	-	8,526
Audit and accounting	389,755	-	2,500	-	-	-	-	-	392,255
Bank charges and credit card fees	35,932	3,446	60,767	74,744	23,166	29,593	30,186	-	257,834
Board meetings and elections	77,170	-	1,147	-	750	992	-	-	80,059
Central services	-	-	471,456	500,868	253,344	208,176	161,628	(1,595,472)	-
Communications expense	2,317	3,144	48,297	137,358	8,899	82,168	42,471	-	324,654
Community events	-	-	16,329	20,420	24,821	5,037	21,685	-	88,292
Computer maintenance	24,277	500	11,012	1,440	-	-	48	-	37,277
Consultants	65,965	-	(907)	30,112	176,573	139,662	47,340	-	458,745
Depreciation and amortization	1,600	2,980	77,310	15,461	16,282	13,900	26,882	-	154,415
Direct mail and telemarketing	-	-	45,024	82,846	-	1,673	16,701	-	146,244
Equipment rental	-	1,003	12,263	31,476	4,794	-	7,566	-	57,102
Insurance	170,779	-	13,835	694	41	-	-	-	185,349
Interest	229,014	-	-	-	21,182	-	-	-	250,196
Legal fees	321,067	-	49,018	1,038	-	-	511	-	371,634
Rent – office/studio	9,300	-	-	-	151,907	191,143	-	-	352,350
Rent – tower	-	-	6,000	23,555	164,512	63,602	76,231	-	333,900
Office expenses	24,373	1,351	13,747	17,467	40,292	22,880	21,892	-	142,002
Outside services	26,306	581	97,500	6,823	85,524	-	19,407	-	236,141
Permits, fines, and filing fees	5,385	-	8	798	-	160	1,084	-	7,435
Programming costs	67,992	-	40,919	43,013	7,666	3,828	18,541	-	181,959
Repairs and maintenance	4,375	446	64,249	90,334	13,868	29,197	6,294	-	208,763
Storage	8,283	27,276	-	3,364	1,924	-	-	-	40,847
Tapes and supplies	155	3,215	362	-	1,895	-	-	-	5,627
Taxes – property	-	-	20,024	11,330	-	-	-	-	31,354
Training conferences	-	-	22,848	-	-	5,565	-	-	28,413
Travel	15,263	-	2,390	4,700	6,947	2,110	-	-	31,410
Utilities	147	-	81,035	125,426	38,750	35,499	7,345	-	288,202
Website and audioport	729	2,820	48,417	3,858	1,299	-	40	-	57,163
<b>Total Expenses</b>	<b>\$ 1,834,533</b>	<b>\$ 311,281</b>	<b>\$ 3,489,553</b>	<b>\$ 3,291,035</b>	<b>\$ 1,645,202</b>	<b>\$ 1,509,889</b>	<b>\$ 755,945</b>	<b>\$ (1,595,472)</b>	<b>\$ 11,241,966</b>